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BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

17 October 28, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

October 21, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**RECOMMENDATION TO EXTEND THE GREATER AVENUES FOR INDEPENDENCE (GAIN)
CASE MANAGEMENT SERVICES CONTRACT WITH MAXIMUS, INC.
(ALL DISTRICTS – 3 VOTES)**

SUBJECT

The Department of Public Social Services (DPSS) seeks a 20-month extension of the Greater Avenues for Independence (GAIN) Case Management Services (GCM) contract with MAXIMUS, Inc., effective July 1, 2015 through February 28, 2017. These services assist the Department's Welfare-to-Work (WtW) participants to overcome barriers to employment and attain self-sufficiency.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Director of DPSS or her designee to execute the enclosed Amendment Two to the GCM contract number 77816 to extend the contract for 20 months from July 1, 2015 through February 28, 2017, upon the same payment terms as the original term of the contract, at a maximum contract amount of \$52,689,796, including \$18,988,280 for the 20-month extension. The cost of the GCM contract is fully funded through the CalWORKs Single Allocation. Funding for the 20-month extension will be included in the Department's annual budget requests. The approval of the California Department of Social Services (CDSS) and County Counsel will be obtained prior to executing such amendment.
2. Delegate authority to the Director of DPSS or her designee to prepare and execute amendments to the contract to add relevant updated terms and conditions that result in any increase or decrease of no more than ten percent of the original contract amount when the change is necessitated by additional and necessary services that are required in order to comply with changes in federal, State, or County requirements. The approval of County Counsel as to form and the CEO will be obtained

prior to executing such amendments and the Director of DPSS will notify the Board and CEO in writing within ten business days after execution.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended action will ensure the continuous, uninterrupted provision of GCM services to WtW participants in the northern and northwestern areas of Los Angeles County (San Fernando Valley and Antelope Valley). The current GCM contract was approved by the Board on July 17, 2012. The contract term is August 1, 2012 through June 30, 2015. The contractor, MAXIMUS, Inc., provides professional staff to render culturally and linguistically sensitive services which assist participants to overcome economic, educational and social barriers, and to obtain employment.

The contract extension is being requested due to recent changes to the State's WtW program and upcoming technology conversion. DPSS is currently awaiting specific State requirements for the Family Stabilization program, which is a new component of the State-mandated WtW program.

In addition, DPSS will be undergoing the conversion to implement the LEADER Replacement System (LRS) beginning in Fiscal Year (FY) 2015-16 through February 2017, requiring the GCM contractor to utilize both the current legacy system, LEADER, and the new LRS system during the period which would have been the beginning of the new GCM contract. The cost of training a new GCM contractor on both the legacy and the new system would be inefficient.

MAXIMUS has agreed to absorb the cost of converting to the new LRS system, as well as implementation of programmatic changes due to the Family Stabilization program, for the extended contract period.

The pending State program requirements and upcoming LRS conversion made it difficult to specify detailed procedures for the GCM solicitation. Both aforementioned changes highly impact the provision of GCM services and will need to be addressed in the new solicitation. The 20-month extension will permit the Department to perform a new solicitation for GCM services which includes specifications for the new programmatic changes after the LRS conversion has been completed.

Implementation of Strategic Plan Goals

The recommended action is consistent with the principles of the Countywide Strategic Plan, Goal 2: Community Support and Responsiveness: Enrich lives of Los Angeles County residents by providing enhanced services, and effectively planning and responding to economic, social, and environmental challenges.

FISCAL IMPACT/FINANCING

The maximum cost for the 20-month extension amendment is \$18,988,280 which includes \$18,663,330 for case management services, \$279,950 for the maximum performance incentives for the extended period, and \$45,000 for Volunteer Income Tax Assistance (VITA) for the 2016 and 2017 tax seasons depending on the availability of VITA funds. The estimated cost for FY 2015-16 and FY 2016-17 are \$11,395,968 and \$7,592,312, respectively. Funding for both FYs will be included in the Department's budget requests. This contract is fully funded through the CalWORKs Single Allocation. There is no net County cost impact.

In 2012, the GCM contract was determined to be cost effective pursuant to Proposition A requirements. The contract extension continues to be cost effective as the rate and method of payment remain the same for the 20-month term of the extension. Further, MAXIMUS has agreed to absorb any additional cost due to the conversion to the LRS system and the implementation of the new WtW programmatic requirements.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The current GCM contract was awarded to MAXIMUS, Inc. on July 17, 2012 for a term of 23 months commencing on August 1, 2012 through June 30, 2014, with an option to extend the contract for one year through June 30, 2015. The DPSS Director, using Board-delegated authority, exercised the option to extend the contract through June 30, 2015.

MAXIMUS subcontracts with Jewish Vocational Service, a non-profit corporation, to provide GCM services in the Antelope Valley and western San Fernando Valley. This is a Proposition A contract that continues to be cost-effective.

The Contractor is in compliance with all Board, CEO and County Counsel requirements. Further, the amendment to extend the contract complies with all Board and CEO requirements and the amendment was approved as to form by County Counsel.

CDSS approval is generally required for contract terms exceeding three years. CDSS approval was requested by the Department which is pending. The amendment will not be executed until CDSS approval is obtained.

CONTRACTING PROCESS

Under the contract, MAXIMUS is required to achieve specified case management objectives with performance measured against County-operated Regions. During this term, MAXIMUS' performance was within the acceptable range. No deductions or incentives have been applied to MAXIMUS. The Department will report performance outcomes to the Board on a quarterly basis.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended action will not infringe on the role of the County in relationship to its responsibility to its residents, and the County's ability to respond to emergencies will not be impaired. There is no change in risk exposure to the County. In the event of default by Contractor, County will provide GCM services in the contracted regions.

CONCLUSION

The Executive Officer, Board of Supervisors, is requested to return one adopted, stamped Board letter to the Director of DPSS.

The Honorable Board of Supervisors

10/21/2014

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sheryl L. Spiller". The signature is written in a cursive, flowing style.

SHERYL L. SPILLER

Director

SLS:cbt

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Deputy Chief Executive Officer

**AMENDMENT NUMBER TWO
TO THE CONTRACT BY AND BETWEEN
THE COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC SOCIAL SERVICES
AND
MAXIMUS, INC.
FOR GAIN CASE MANAGEMENT SERVICES**

Reference is made to the Agreement entitled "*GAIN Case Management Services Contract By and Between the County of Los Angeles Department of Public Social Services (County) and MAXIMUS, Inc. (Contractor)*" dated August 1, 2012 and Amendment Number One dated June 25, 2014 and further identified as County Contract Number 77816 (hereinafter referred to as "Contract").

WHEREAS, County finds it necessary to provide continuous services to the Welfare-to-Work participants through February 28, 2017; and

WHEREAS, the County of Los Angeles Board of Supervisors has delegated authority to the Director of the Department of Public Social Services (DPSS) or designee to execute this Amendment; and

WHEREAS, it is to the mutual benefit of County and Contractor to extend the term of the Contract and to modify certain provisions; and

WHEREAS, this Amendment does not impact Contractor's cost effectiveness.

NOW THEREFORE, County and Contractor hereby agree to amend this Contract as follows:

I. This Amendment Number Two shall be effective upon execution by the Director of the Department of Public Social Services.

II. **Contract, Part 2.0, DEFINITIONS**, is revised to add the following definition:

2.111 Family Stabilization (FS)

The FS program component provides intensive case management and services that may be in addition to those provided by the DPSS GAIN W-t-W program to participants who are experiencing an identified situation or crisis. FS is designed to ensure a basic level of stability within a family prior to, or concurrently with, participation in the W-t-W activities by providing barrier removal services necessary to ultimately achieve self-sufficiency.

2.112 Online CalWORKs Appraisal Tool (OCAT)

State mandated standardized/automated appraisal tool designed to identify barriers that may be destabilizing to families.

III. **Contract, Part 6.0, TERM OF CONTRACT, Section 6.1**, is deleted and replaced as follows:

6.1 The term of this contract shall be from August 1, 2012 through February 28, 2017, unless sooner terminated in whole or in part, as provided in this Contract.

IV. **Contract, Part 7.0, MAXIMUM CONTRACT AMOUNT, Section 7.1, Maximum Contract Sum, Sub-Sections 7.1.1 and 7.1.2,** are deleted and replaced as follows:

7.1.1 The Maximum Contract Sum is \$52,689,796 for the entire term of this Contract. This includes \$18,988,280 for the additional 20-month extension.

7.1.2 The Maximum Contract Sum is divided into the following sub-maximums not to exceed the following amounts:

- The maximum compensation amount of this Contract for basic services is \$51,324,158 based on a flat monthly rate of \$933,167.
- The maximum compensation amount for the computer system development and implementation is \$460,776.
- The maximum compensation amount of this Contract for the Volunteer Income Tax Assistance (VITA) program services is a total of \$135,000 for the 2013, 2014, 2015, 2016, and 2017 tax seasons, dependent upon availability of funding.
- The maximum amount for performance incentives under this Contract is \$769,862.

V. **Contract, Part 7.0, MAXIMUM CONTRACT AMOUNT, Section 7.3 VITA Program Services,** is deleted and replaced as follows:

7.3 VITA Program Services

For the 2013, 2014, 2015, 2016, and 2017 tax seasons, Contractor shall provide services as detailed in Attachment A, Statement of Work, Section 5.0 hereunder.

VI. **Contract, Part 8.0, INVOICES AND PAYMENT PROCESS, Section 8.1.2,** is deleted and replaced as follows:

8.1.2 Contractor shall prepare separate monthly invoices for services provided during the VITA season (February 1 through March 31) for 2013, 2014, 2015, 2016, and for February 2017 (an original and one copy) in the same format and report the same information as shown on the sample invoices in Attachment A, Statement of Work, Technical Exhibit A-10, Sample CalWORKs VITA Invoice Program and Technical Exhibit A-11, Sample Food Stamp/Medi-Cal VITA Invoice, and any other information requested by the CCA.

VII. **ATTACHMENT A, STATEMENT OF WORK AND TECHNICAL EXHIBITS, Section 1.1, Statement of Work, Sub-Section 1.1.1 and 1.1.2,** are deleted and replaced as follows:

1.1.1 Welfare-to-Work Services Flow Plan

Contractor shall follow the W-t-W Services Flow Plan as shown on this Attachment A, Statement of Work, Technical Exhibit A-6, Welfare-to-Work Services Flow Chart and future modifications of the Plan developed by DPSS that captures the following complex array of services offered under the GAIN program:

- Case Assignment.
- Case Management.
- W-t-W Intake/Appraisal Interview.
(OCAT Screening for Family Stabilization, Domestic Violence, Mental Health, Substance Abuse, and Learning Disability).
- Family Stabilization Intensive Case Management.
- Learning Disability Evaluation.
(This evaluation is provided by another Contractor)
- W-t-W Orientation/Motivational Training.
(These services are provided by another contractor)
- Self-Initiated Programs (SIP).
- W-t-W Job Club/Job Search Programs.
(These programs are provided by another contractor)
- Dual Track Evaluation.
- Vocational Assessment.
(This assessment is provided by another contractor)
- Clinical Assessment.
(Full screening for Domestic Violence, Mental Health, Substance Abuse)
- Development of a W-t-W Plan.
- Paid Work Experience/Work Experience.
- Adherence to Non-Compliance Requirements.
- Community Services.

1.1.2 Addressing Barriers to Employment

The GAIN Program includes a diversity of services that assist Participants in overcoming a wide range of barriers (i.e., Family Stabilization, Learning Disabilities, Domestic Violence, Mental Health, Substance Abuse, and Homelessness) to employment. Contractor shall ensure these services are provided and administered appropriately.

VIII. **ATTACHMENT A, STATEMENT OF WORK AND TECHNICAL EXHIBITS, Section 1.5, Contractor Management Services, Sub-Section 1.5.1,** is revised by adding Sub-Paragraphs 1.5.1.11, 1.5.1.12, and 1.5.1.13 as follows:

- 1.5.1.11 Ensuring that all participants are screened for potential barriers to employment as stipulated by the Family Stabilization Program Policy.
- 1.5.1.12 Ensuring that there is staff specifically designated as Family Stabilization Case Managers per State and DPSS Family Stabilization Policy.
- 1.5.1.13 Providing intensive case management to participants who have been identified with a barrier(s) through the Family Stabilization Program as specified by State and DPSS Family Stabilization Policy.

IX. **ATTACHMENT A, STATEMENT OF WORK AND TECHNICAL EXHIBITS, Section 2.2, Contractor Furnished Items, Sub-Section 2.2.1 Contractor Personnel, Sub-Paragraph 2.2.1.2,** is revised to add the following language:

- Family Stabilization (FS) Coordination – to service and refer Participants to the FS providers during Appraisal or any other interview.

X. **ATTACHMENT A, STATEMENT OF WORK AND TECHNICAL EXHIBITS, Section 3.1, Welfare-to-Work Program, Sub-Section 3.1.2 W-t-W Case Assignment, Sub-Paragraph 3.1.2.3, letter j,** is deleted and replaced as follows:

- j. Assign to Job Club as the initial GAIN flow activity, unless the Contractor has determined that the Participant would not benefit from that activity, for example because the Participant is already in an educational activity, working full-time or needs Family Stabilization/Specialized Supportive Services.

XI. **ATTACHMENT A, STATEMENT OF WORK AND TECHNICAL EXHIBITS, Section 3.1, Welfare-to-Work Program, Sub-Section 3.1.3 Appraisal,** is revised by adding Sub-Paragraph 3.1.3.13 as follows:

- 3.1.3.13 Family Stabilization screening via the Online CalWORKs Appraisal Tool (OCAT).

XII. **ATTACHMENT A, STATEMENT OF WORK AND TECHNICAL EXHIBITS, Part 3.0, SPECIFIC TASKS,** is revised by adding Section 3.12, Family Stabilization, as follows:

3.12 Family Stabilization

- 3.12.1 At the W-t-W Appraisal, Contractor shall conduct a mandatory Family Stabilization (FS) screening using the Online CalWORKs Appraisal Tool (OCAT) to determine if a Participant requires a referral for FS services.

Based on this screening, and/or at any time the Participant self-discloses a need for FS, the Contractor shall make referrals as appropriate. Contractor shall make every effort to ensure Participants are referred to FS timely and appropriately.

- 3.12.2 Contractor must ensure all necessary supportive services are authorized to facilitate a Participant's participation in FS and through intensive case management, encourage Participants to attend and complete these services.

- 3.12.3 Contractor shall work with the Participants, coordinating with FS agencies, to develop appropriate concurrent W-t-W activities for the Participant, if appropriate.

- 3.12.4 Contractor shall accurately update GEARS of all required changes including, but not limited to: updating referral assignments and reassignments, component start dates and end dates to GEARS within one (1) business day.

- XIII. **ATTACHMENT A, STATEMENT OF WORK AND TECHNICAL EXHIBITS, Part 5.0 VOLUNTEER INCOME TAX ASSISTANCE (VITA) PROGRAM**, Section 5.1 is deleted and replaced as follows:
- 5.1 Be available to provide VITA services during the 2013, 2014, 2015, 2016, and 2017 tax seasons. VITA services for the 2013 tax season are expected to begin in February 2013, and run through March 2013. VITA services for the 2014 tax season are expected to begin in February 2014, and run through March 2014. VITA services for the 2015 tax season are expected to begin in February 2015, and run through March 2015. VITA services for the 2016 tax season are expected to begin in February 2016, and run through March 2016. VITA services for the 2017 tax season are expected to begin in February 2017, and run through the end of the contract term on February 28, 2017.
- XIV. Attachment B-3, Contractor's Budget, shall apply to GAIN Case Management Services for the period of July 1, 2015 through February 28, 2017.
- XV. All other terms and conditions in the Contract remain in full force and effect. Except for the changes set forth hereinabove, this Contract shall not be changed in any respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment Number Two to be subscribed on its behalf on the ____ day of _____, 2014 by the Director of the Department of Public Social Services and the CONTRACTOR has subscribed the same through its authorized officer. The person(s) signing on behalf of CONTRACTOR warrants under penalty of perjury that he or she is authorized to bind CONTRACTOR and that he or she holds the stated position noted below.

COUNTY OF LOS ANGELES

By _____
Sheryl L. Spiller, Director
Department of Public Social Services

Date

MAXIMUS, INC.

By _____
Signature

Date

Print Name and Title

APPROVED AS TO FORM:

**RICHARD D. WEISS
ACTING COUNTY COUNSEL**

By _____
Melinda White-Svec
Deputy County Counsel

Date